

**Governor's State Workforce
Investment Board (SWIB)**

Transition Report

**Submitted to Governor Martz
And
Governor-Elect Schweitzer**

December 2004

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Historical Review

Historical Review of the Montana Workforce System

Job Training Partnership Act (JTPA)

Prior to the Workforce Investment Act of 1998, Montana operated under the Job Training Partnership Act (JTPA). The purpose of JTPA was to establish programs to prepare youth and adults facing serious barriers to employment for participation in the labor force by providing job training and other services that would result in increased employment and earnings, increased educational and occupational skills, and decreased welfare dependency, thereby improving the quality of the work force and enhancing the productivity and competitiveness of the Nation.

JTPA was not intended as a single program capable of meeting all the training, educational, and service needs of a participant but instead the intent of the Act was to promote coordination, target JTPA services to the hard to serve, and promote basic and occupational skills training.

Under JTPA, the Governor appointed members to the Job Training Coordinating Council (JTCC). In preparation for the Workforce Investment Act implementation, the name of the council was changed to the Governor's Workforce Preparation Coordinating Council (WPCC).

The WPCC was disbanded in 1999 and replaced by the newly created Governor's State Workforce Investment Board. This was in response to the Workforce Investment Act of 1998, and in preparation of Montana's implementation of the Workforce Investment Act on July 1, 2000.

The State Board certified the Local Workforce Investment Boards in September, 1999. Under WIA, the local boards are to be re-certified every two years.

Workforce Investment Act

The Workforce Investment Act of 1998 (WIA) created a new comprehensive workforce investment system (commonly known as the One-Stop System). The new system is intended to be customer-focused, to help Americans access the tools they need to manage their careers through information and high quality services, and to help U.S. companies find skilled workers.

The goal of WIA is to increase employment, retention and earnings of participants, and increase occupational skill attainment by participants, and, as a result improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation.

Under WIA, the Governor appoints private business representatives, and the board is required to have at least a 51% business member majority. There are several mandatory public partners, so the number of business partners needed must be determined to ensure compliance under the law.

The Workforce Investment Act has five titles:

Title I – Workforce Investment Systems Title IB Adult, Youth and Dislocated Worker Programs

Title II – Adult Education and Literacy

Title III – Workforce Investment-Related Activities (Wagner-Peyser)

Title IV - Rehabilitation Act Amendments of 1998

Title V – General Provisions

Adult Service Providers

Service providers were selected through the Request for Proposal process and include Job Service Workforce Centers, Human Resource Development Councils, YWCA and other non-profit entities across the state.

Dislocated Worker Service Providers

Job Service Workforce Centers and AFL-CIO Project Challenge: Work Again provides services to dislocated workers.

Eligible Training Provider List

The Statewide Workforce Programs and Oversight Bureau in the Department of Labor and Industry maintains and disseminates the Eligible Training Provider List. Training providers must be on the list in order to receive WIA funding to provide training services.

Youth Services

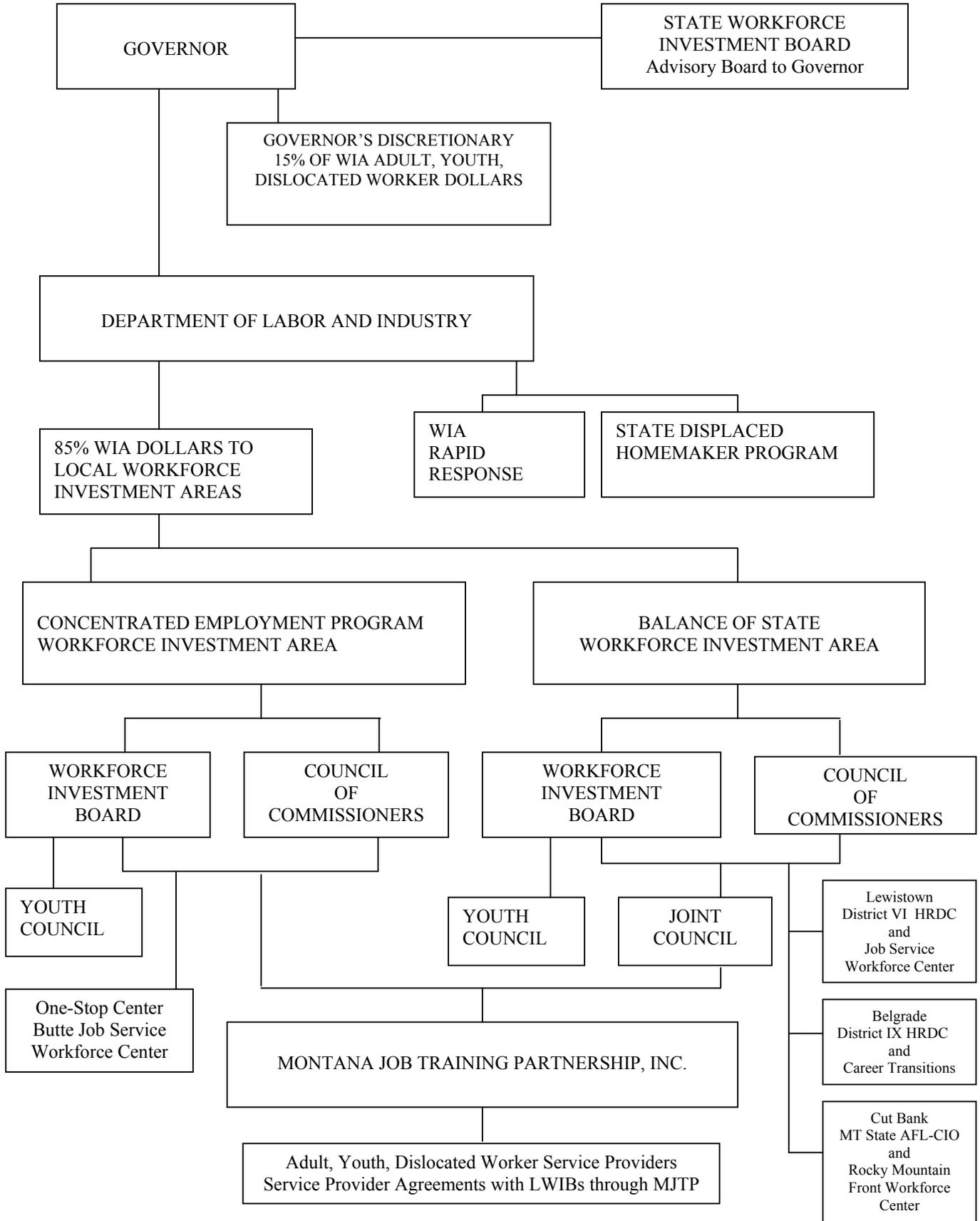
The selection of WIA youth providers was accomplished through the competitive Request for Proposal process. Although under WIA post-secondary educational institutions that receive funds under Title IV of the Higher Education Act and entities under the National Apprenticeship Act of 1937 may now run WIA youth programs, none of these entities competed for WIA Title IB youth funds. The successful bidders to run the youth programs, Montana's Human Resource Development Councils and Career Training Institute, are the same agencies that traditionally provided services to youth under the Job Training Partnership Act.

WIA also provides for referral of youth that have been determined ineligible for WIA Title IB services to the appropriate training and educational programs.

Local Boards

Montana has two Local Workforce Investment Boards that provide program oversight, the Concentrated Employment Program (CEP) Local Workforce Investment Board and the Balance of State (BOS) Local Workforce Investment Board. Montana Job Training Partnership, Inc., a private non-profit located in Helena is staff to both Local Workforce Investment Area Boards.

MONTANA WORKFORCE INVESTMENT SYSTEM



SWIB Membership Requirements

According to the provisions of the Workforce Investment Act (WIA), the State Workforce Investment Board is required to have certain mandatory partners, and must retain at least a 51% private business majority.

The Governor appoints members to the State Board who are not mandatory partners. The Governor may solicit applications, or Montana citizens may apply on their own or be nominated for a seat on the Board.

According to Section 111 of WIA, the State Board shall include:

The Governor; two members of each chamber of the State legislature, appointed by the appropriate presiding officers of each chamber; and representatives appointed by the Governor who are:

- Representatives of business in the State who:
 - Are owners of businesses, chief executives or operating officers of businesses, and other business executives or employers with optimum policy making or hiring authority, including members of local boards described in section 117(b)(2)(A)(i);
 - Represent businesses with employment opportunities that reflect the employment opportunities of the State; and
 - Are appointed from among individuals nominated by State business organizations and business trade associations;
- Chief elected officials (representing both cities and counties, where appropriate);
- Representatives of labor organizations, who have been nominated by State labor federations;
- Representatives of individuals and organizations that have experience with respect to youth activities;
- Representatives of individuals and organizations that have experience and expertise in the delivery of workforce investment activities including chief executive officers of community colleges and community-based organizations within the state;
- The lead state agency officials with responsibility for programs and activities that are described in the Act and carried out by one-stop partners; and
- In any case in which no lead state agency official has responsibility for such a program, service, or activity, a representative in the State with expertise relating to such program, service, or activity; and
- Such other representatives and State agency officials as the Governor may designate, such as the State agency officials responsible for economic development and juvenile justice programs in the State.

A majority of the members of the State Board must be representatives of private business, and the Governor shall select and designate a chairperson for the State Board from among the private business representatives.

SWIB's Vision and Objectives

MONTANA'S STATE VISION

The State of Montana will design a coordinated system to help Montanans gain marketable employment skills and expand a Montana economy in which such skills will be better rewarded and sustained.

Montana's efforts will be guided by two long-term system objectives:

- 1. Promoting a diverse economy by providing skilled workers to emerging Montana industries, especially those in information and advanced technology, health services, value-added agriculture, and communications.**
- 2. Promoting continual skill development, increasing wages, and an enhanced standard of living for all Montanans while preparing Montana's youth with the knowledge and behavior skills necessary to enter and succeed in highly skilled, high paid careers.**

To attain these objectives, Montana's workforce investment system must be:

- Accountable to the people we serve.**
- Customer Driven to meet individual needs and choices.**
- Accessible to all.**
- Efficient in providing services to guarantee maximum impact.**
- Focused on promoting personal responsibility.**

2004 GOALS
MONTANA STATE WORKFORCE INVESTMENT BOARD

Haley Beaudry, Chair

The purpose of the Montana State Workforce Investment Board is to advise the Governor on the creation, implementation and continuous improvement of a comprehensive statewide workforce development system.

In 2004, the Board will accomplish the following goals:

1. Engage the workforce system in anticipating and responding to businesses' current and emerging needs for skilled workers.
2. Encourage alignment among workforce development, post secondary education, and economic development.
3. Advance workforce development policies by providing recommendations to the Governor and other state leaders who support economic development efforts in Montana.

The Board will accomplish these goals through the following committees:

- **Executive Committee:** charged with general oversight of the board, and authorized in the Board's operating rules to make decisions on behalf of the board.
- **Economic Development and Business Retention Committee:** charged with determining the specific workforce needs of businesses statewide, and developing strategies to address these needs.
- **Accountability Committee:** charged with measuring the overall effectiveness and impact of the State's workforce system.
- **Workforce System Committee (formerly the Regulatory Committee):** charged with developing and reviewing statewide policies affecting provision of workforce development services.

Note: The Apprenticeship Advisory Committee was established by the SWIB during their meeting on September 2, 2004 and is a standing Board Committee.

SWIB Committees and Members

STATE BOARD MEMBERS

Governor's Workforce Investment Board

As of December 2004

Beaudry, Haley Chair Private Sector	Columbia Falls Aluminum 1 Redwood Drive Butte, MT 59701	(406) 892-8403 hbeaudry@bresnan.net
Engstedt, Ellen Vice Chair Private Sector	MT Wood Products Assn. PO Box 1149 Helena, MT 59624	(406) 443-1566 woodproducts@mt.net
Bartholomew, Bob Older Workers	AARP State Office 30 W. 14 TH Ste 301 Helena, MT 59601	(406) 457-4701 bbartholomew@aarp.org
Becker, Arlene State Representative	State Representative 1440 Lewis Ave Billings, MT 59102	(406) 237-7400 Arlene_becker@yahoo.com
Bingham, Leroy Private Sector	735 Cross St. Billings, MT 59105	(406) 256-9243 pikuni7@yahoo.com
Boyle, Cristina Private Sector	136 Arrowhead Trail Bozeman, MT 59718	(406) 539-3979 cristina@montanadsl.net
Brooker, Carol Elected Official	County Commissioner PO Box 519 Thompson Falls, MT 59873	(406) 827-6942 brooker@blackfoot.net
Brown, Dick Private Sector	MT Hospital Assn. 1720 9th Ave. Helena, MT 59601-4657	(406) 442-1911 dick@mtha.org
Brown, Webb Economic Development	Montana Chamber PO Box 1730 Helena, MT 59624	(406) 442-2405 webb@montanachamber.com
Christofferson, Susan Community Based Organization – Private Non-Profit	Nurturing Center 146 3rd Ave W Kalispell, MT 59901	(406) 756-1414 susanc@nurturingcenter.org
Cocchiarella, Vicki Montana Senate	State Senator 535 Livingston Ave Missoula, MT 59801	(406) 728-7723 vcocchia@putmancomp.com
Davison, Jim Private Sector	Anaconda Local Development 118 E 7th Anaconda, MT 59711	(406) 563-5538 jdavison@montana.com
Day, Bruce CBO - Private Non-Profit	Rural Employment Opp. PO Box 831 Helena, MT 59624	(406) 442-7850 bruced@reomontana.org
Driscoll, Jerry Labor	AFL-CIO PO Box 1176 Helena, MT 59624	(406) 442-1708 mtaflciodriscoll@unions-america.com
Foster, Julie Private Sector	Montana Jobs Network 4655 Watt Lane Stevensville, MT 59870	(406) 777-7185 jmfoster@montana-jobs.net
Gibson, David Public Agency (Governor's Representative)	Governor's Office of Economic Opportunity State Capitol Helena, MT 59620	(406) 444-5635 dagibson@state.mt.us

Gray, Gail Public Agency (Public Health & Human Services)	Director, Dept. of Public Health & Human Services PO Box 4210 Helena, MT 59620	(406) 444-5622 ggray@state.mt.us
Grill, Lew Private Sector	Sage Corporation 3044 Hesper Road Billings, MT 59102	(800) 545-4546 lew@lewgrill.com
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Hollenback, Jim Private Sector	LAS-Lotsastuff.Com 1339 Mullan Road East Superior, MT 59872	(406) 822-3033 jim@ownmt.com
Keating, Wendy Public Agency (Labor & Industry)	Commissioner of Dept. of Labor & Industry 1327 Lockey Helena, MT 59624	(406) 444-3299 wkeating@state.mt.us
Knedler, Susan Private Sector	Hi-Heat Industries 20 Hanover Rd Lewistown, MT 59457-1732	(406) 538-7411 sk@hiheat.com
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Parisot, Arlene Public Agency - Office of Comm. Of Higher Education	Director of 2-Year Education PO Box 203101 Helena, MT 59620-3101	(406) 444-0316 aparisot@oche.montana.edu
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Total Membership = 43

EXECUTIVE COMMITTEE

Governor's Workforce Investment Board

As of December 2004

Beaudry, Haley <i>Chair</i> <i>Private Sector</i>	1 Redwood Drive Butte, MT 59701	(406) 494-5023 hbeaudry@bresnan.net
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ACCOUNTABILITY COMMITTEE

Governor's Workforce Investment Board

As of December 2004

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Willis, Gary <i>Private Sector</i>	PO Box 5539 Helena, MT 59604	(406) 444-7506 gwillis@shodair.org

APPRENTICESHIP ADVISORY COMMITTEE

Governor's Workforce Investment Board

As of December 2004

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ECONOMIC DEVELOPMENT & BUSINESS RETENTION COMMITTEE

Governor's Workforce Investment Board

As of December 2004

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WORKFORCE SYSTEMS COMMITTEE

Governor's Workforce Investment Board

As of December 2004

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Reno, James <i>Elected Official</i>	1141 Toole Court Billings, MT 59105	(406) 256-2701 jreno@co.yellowstone.mt.us

Ad hoc TRANSITION & ADVISORY COMMITTEE

Governor's Workforce Investment Board

Beaudry, Haley Private Sector	Columbia Falls Aluminum 1 Redwood Drive Butte, MT 59701	(406) 892-8403 hbeaudry@bresnan.net
Engstedt, Ellen Private Sector	MT Wood Products Assn. PO Box 1149 Helena, MT 59624	(406) 443-1566 woodproducts@mt.net
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Foster, Julie Private Sector	Montana Jobs Network 4655 Watt Lane Stevensville, MT 59870	(406) 777-7185 jmfoster@montana-jobs.net
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Ruff, Diane Private Sector	Associated Employers of Montana PO Box 1301 Billings, MT 59103	(406) 248-6178 druff@associatedemployers.org

State Workforce Investment Board Staff

The staff office of the State Workforce Investment Board (SWIB) is attached to the Department of Labor and Industry (DLI) to provide support to the State Board, increase communication and sharing of information, and to promote cooperation between workforce programs and the SWIB.

The State Workforce Investment Act (WIA) Oversight Bureau is also attached to the DLI, which allows for board staff and the SWIB to communicate effectively relative to potential critical issues within the workforce system. This aligns the SWIB in their advisory role to the Governor, with the oversight role delegated by the Governor, relative to performance and accountability of the workforce development system.

SWIB Staff Contact Information

Pam Watson

444-1620 pwatson@mt.gov

Department of Labor and Industry Staff Contact Information

DLI Workforce Services Division employees contribute a significant effort to support the State Board. Following is a list of employees who offer staff support:

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Minutes of Meetings held during Martz Administration

The State Workforce Investment Board (SWIB) publishes official minutes of all meetings held by Committees or the Board. The minutes are posted to the State Workforce Investment Board website once approved and adopted by the Board or Committee.

Minutes of meetings may be viewed on the SWIB website at:
www.state.mt.us/gov2/css/boards/workforce/minutes.asp.

Dollars Spent on Programs Fiscal Year 2004

State Workforce System: *Snapshot 2004*

The State Workforce Investment Board, through their Accountability Committee, produced the “Snapshot 2004” document. This tool is a spreadsheet that shows a clear picture of Montana’s Workforce System and the more than \$152 million dollars that were allocated to the system in 2004. The document shows the oversight agency, who administers the services, the intended client, and the dollars allocated to the programs.

It is intended that the SWIB will publish this document annually to provide a historical review of the system, and to provide a tool for comparing system performance from year to year. A copy of ***Snapshot 2004*** is provided in the Attachments section at the end of this report. (If this report is viewed on the State Board’s website, a copy of ***Snapshot 2004*** may be viewed on the website under Resources.)

It is also important to mention that for the past three years, Governor Martz has allocated her discretionary dollars to the Montana Department of Commerce for incumbent worker training. In state program year 2002, \$800,000 was awarded; in program year 2003, \$600,000; and \$362,000 in program year 2004 (current year).

ACCOMPLISHMENTS

NGA Policy Academy for the Next Generation of Workforce Development

Montana NGA Academy Project Vision: “The labor force in Montana is educated and trained, possesses the skills to meet the current and emerging needs of employers and is available to support economic development in the state. A quality workforce development system will be part of the continual process of improving the standard of living for all Montanans.”

Two years ago, Montana applied to participate in the National Governor’s Association (NGA) Academy project, and was one of six states selected. Three main goals were established to try to align the workforce with industry clusters. The first goal was to anticipate businesses current and emerging needs; the second goal was to align post-secondary education to be responsive to training needs; and the third goal was to develop policy based on an effective and accountable system. The team focused on a health care model for possible application to other industries, using some of the outcomes from the Governor’s Blue Ribbon Task Force on Health Care study.

Montana’s team included members from the Department of Labor & Industry, Governor’s Office of Economic Opportunity, Department of Public Health and Human Services, Office of the Commissioner of Higher Education, Office of Public Health and Human Services, and the State Workforce Investment Board.

The final report to Governor Judy Martz was issued in October 2004.

Integrated Performance Information (IPI) Project

The Washington State Workforce Training and Education Coordinating Board (Workforce Board) was awarded a grant to schedule, organize, logistically support, and participate in discussion forums with states, national associations, scholarly experts, and other relevant stakeholders in order to provide the U. S. Department of Labor with input from the states on what is required to support integrated information on the results of workforce investment programs and the One-Stop system. Examples of integrated information on results include but are not limited to: Outcome measures that apply across multiple workforce development programs; measures of the performance of One-Stop Centers and the One-Stop system; other measures of the shared results of workforce investment programs that are attributable to the combined effects of multiple programs; and training provider results reported to meet the requirements of multiple programs.

Montana was selected to serve as the “small” state on the project, and had team members from the Department of Labor & Industry, Department of Public Health and Human Services, Office of the Commissioner of Higher Education, and the State Workforce Investment Board. The other states include Washington, Oregon, Texas and Florida. In January 2004, the states and their respective panel of experts met for a series of three Policy meetings, which concluded in June 2004. The team will plan the technical assistance and dissemination activities, to include two technical institutes that were scheduled for late fall; one in Boston and the other in Chicago. Teams from several states in the region will be invited to participate. In addition, a draft blueprint was distributed to the IPI team states in August of 2004 for comment, a copy of which is available through the State Board office at 1327 Lockey in Helena.

Following the Institutes, other dissemination activities are being planned including the convening of national organizations representing key stakeholders in workforce development along with presentations at key national and regional conferences. A package of “high quality” materials will be developed for the dissemination activities. The state teams agreed to participate in the institutes and other dissemination activities as needed.

The team leaders will work with the U. S. Department of Labor and national labor organizations to disseminate the Blueprint for States (likely during January 2005), which will be a comprehensive guide to implementing integrated performance results information for workforce development programs.

Business Advocate Training Endorsement

Kathy Yankoff, Coordinator for Business Services, Department of Labor and Industry, approached the Executive Committee of the State Workforce Investment Board (SWIB) in February 2004 and asked for their endorsement for Business Advocate Training. The curriculum was developed by Greg Newton Associates, and is a series of training modules for business services designed to develop a systems approach to business outreach. While Job Service is the lead provider of business services in any given workforce system, many other system partners interact with business on behalf of their primary customers and to promote their programs and services. This training took the approach that contacting local businesses is a shared, system-wide activity. The final step in the training curriculum is to produce action steps for providing coordinated business services at the community level.

In February 2004, the SWIB Executive Committee took action to endorse the Business Advocate Training curriculum the Department of Labor and Industry was providing the workforce system.

Business Leadership Teleconference Training Series

The Workforce Board Leadership teleconference series is a 3-part series of national teleconferences presented by Greg Newton, Greg Newton Associates. The first in the Series was *Aligning for Action and Achievement*, and was held September 28, 2004. The second session will be held January 11, 2005, and is entitled *Ten Human Resource Challenges and What your Workforce Board Can Do to Make a Difference*. The final session is scheduled for April 12, 2005 and will be *Partnering with Economic Development: Creating the Workforce Advantage*. Each session is 2 hours in length.

In September 2004, the State Workforce Investment Board took action to purchase and sponsor this leadership training. The training is hosted in Helena, and the SWIB invited all SWIB members, state employees, and local board members and their staff to attend. The training is also recorded and will be presented to the State Board at a later date, as members were unable to attend on September 28th.

Workforce Board Leadership: The Series

January 11, 2005: Ten Human Resource Challenges and What Your Workforce Board Can Do to Make a Difference

The workforce and workplace is changing, and how local communities respond to these changes

is key to local economic growth and opportunity. Workforce Boards, systems, partners, and programs can play a critical role in helping job seekers, workers and businesses survive and thrive in this new environment. After exploring the top ten changes and challenges in the workforce and workplace, specific recommendations will be made on how your Workforce Board can respond and be an important part of the needed solutions.

April 12, 2005: Partnering with Economic Development: Creating the Workforce Advantage

Workforce development is one increasingly important element of a comprehensive community economic development strategy. Today, the communities that have workers with the right skills and work ethic have a competitive advantage in attracting new businesses. Workforce Boards have a critical role in developing the skills of employed, unemployed, and emerging workers in order to attract new businesses and to retain and expand the businesses you already have. This session will show you how to build meaningful partnerships for economic development; help you decide which industry clusters you should target for maximum economic impact; and provide benchmarks and examples of how to convert your program operations into a demand-driven system for economic growth.

Governor's Labor Day Report

On September 2, 2004, the Department of Labor's Research and Analysis Bureau again presented the Governor's Labor Day Report. Todd Younkin, Bureau Chief of the Research and Analysis Bureau, Department of Labor and Industry reported that one of the biggest challenges is developing timely and useful data and information. The US Department of Labor promotes ties for the labor market information grant plan, and the bureau will work with the SWIB Economic Development and Accountability committees, as well as private sector members of the board, to determine what represents the specific needs of business. One of the tools currently available is their new website ourfactsyourfuture.org.

Some of the information provided to the SWIB and those in attendance for the report was that over the last year, job growth occurred in all but one of Montana's industrial sectors. Government was the only sector that decreased over the year, declining by 400 jobs, all other sectors created a combined total of 6,200 jobs. The Bureau also reported the projected fastest growing industries from 2002-2012, with Waste Management and Remediation Services, Daycare, Family Services and Other Social Assistance, and Construction of Buildings being the top three. The projected top three fastest declining industries for the period 2002-2012 are Oil and Gas Extraction, Primary Metals Manufacturing, and Computer and Other Electronic Productions Manufacturing. The average age of Montana's workforce was 37 in 1993; in 2003 it has increased to 39.8 years of age. And projections indicate that Montana's population will continue to grow.

The report also included twenty of the occupations that will grow by more than 1,000 jobs, and that currently, just over half of Montana's jobs (50.7%) require only short-term or medium-term on-the-job training. In 2012, the bureau projects this number will remain essentially unchanged. In addition, in 2002, only 19.2% of Montana's jobs required a Bachelor's degree or higher, and again, these numbers are projected to remain unchanged through 2012.

To view the 2004 Labor Day Report in full, the Research and Analysis Bureau's website address is ourfactsyourfuture.org.

Desiree Taggart Memorial Awards for Workforce Development

The Desiree Taggart Memorial Awards are given in memory of Desiree Taggart, the first Director of Workforce Development in the Governor's Office of Economic Opportunity.

Desiree is remembered for her inspiring dedication to Montana's workforce development efforts, for her abundant energy and willingness to go the extra mile, for her inquisitive mind and creative solutions, her passion for quality and excellence in workforce development, and fostering positive relationships among workforce development professionals, businesses, and the workforce.

The Desiree Taggart Memorial Awards are given to Montana Workforce Investment organizations, businesses and individuals to recognize outstanding achievement or contribution to employment and training efforts in Montana, including: improved productivity, creativity, economy and efficiency in Montana's workforce system and to recognize and award outstanding contributions to workforce development in Montana.

The awards publicly acknowledge outstanding efforts of individuals and organizations that have improved workforce development in Montana through the use of quality principles as promoted by the State Workforce Investment Board (SWIB) and the Montana Council for Workforce Quality (McWQ).

There are three (3) categories of awards given annually:

1. **Outstanding Business of the Year Award** –Awarded to businesses (private or public) for outstanding contribution to the success of Workforce Development Programs.
2. **Quality Program Award** –Awarded to a Workforce Development Agency or Program or a group of cooperating agencies or programs that exemplify the principles of quality in providing workforce development services.
3. **Workforce Development Achievement Award** –Awarded to an individual workforce agency staff member, employer, council member, county commissioner, etc., for outstanding contribution to the success of Workforce Development Programs in:
 1. Fostering teamwork;
 2. Initiative and versatility;
 3. Total quality improvement activities;
 4. Leadership; and/or
 5. Other acts that promote excellent customer service or support the goals/mission/strategic plan of the workforce system.

Other examples could include implementation of principles of continuous improvement and customer satisfaction, use of surveys, focus groups and evaluation tools which promote continuous improvement and benchmarking processes in their own organization as well as leading the way by example and passion for partners, co-workers and peers in their community.

There are two award winners in each category. One public and one private in the Individual Achievement Category, and then two winners in the Outstanding Business and Quality Program categories.

The nominees and winners in each category were:

Outstanding Business

In the Outstanding Business category, the nominees were: Juro's Medial, Inc. from Billings; A & S Tribal Industries, Inc. in Poplar; Crossroads Correctional Center in Shelby; Yellowstone Harley Davidson from Belgrade; Hi Heat Industries, Inc. in Lewistown; and the Kalispell Chamber of Commerce. The award winners were Crossroads Correctional Center and the Kalispell Chamber of Commerce.

Quality Program

There were three nominees in the Quality Program category: Anaconda PCA Family Resource Center; The Rocky Mountain Front Community Management Team (CMT); and The Southwest Montana Workforce System. The award recipients were the Rocky Mountain Front CMT and the Southwest Montana Workforce System.

Individual Workforce Development Achievement

There were six nominees in the Individual Workforce Development Achievement Category: Lynn Long, State Department of Administration in Helena; Shelley Louterback from Workplace Inc. in Kalispell; Julie Foster from Montana Jobs Network in Stevensville; David Gibson from the Governor's Office of Economic Opportunity; Donna Thompson (deceased) who was the founder of the Anaconda PCA Family Resource Center; and Steve Francisco with Treasure State Homes in Anaconda. The award recipients were Lynn Long representing the public, and Julie Foster from the private sector.

During the State Workforce Investment Board meeting on September 2nd, Lt. Governor Ohs, Darla Joyner from McWQ, and Haley Beaudry, SWIB Chairman, presented certificates to nominees, and the awards to the 2004 recipients.

Increased Role in Development of Labor Market Information

According to new requirements from the US Department of Labor, the State Workforce Investment Board (SWIB) is to have a more active role in determining the Labor Market Information products produced by the Research and Analysis Bureau. The process used to ensure that the SWIB can exercise its responsibility for ensuring that state workforce information policy is responsive to the needs of the state and local workforce investment system, is by providing comments and suggestions annually for items to be included in the State's Workforce Information Grant Plan, and by endorsing the plan.

Montana's State Workforce Investment Board has had a long, successful partnership with the Department of Labor and Industry's Research and Analysis Bureau. Staff from the bureau regularly attend meetings of the State Board and its committees, and in the past year, the board has collaborated with the bureau on several projects customized to meet the needs of the state and local workforce investment system.

For the past two years, the bureau has presented its annual Labor Day Report to the Governor at the fall meeting of the State Workforce Investment Board. Board members actively engage in the presentation and provide feedback and commentary to the presenters. Board members are also asked to evaluate the usefulness and effectiveness of the presentation upon conclusion.

Looking ahead to 2005, the Board will be taking the lead on working with the Research and Analysis Bureau to continuously improve the state's workforce information policy.

Flathead Regional Business Center

In October, the SWIB Economic Development and Business Retention Committee visited the Flathead Regional Business Center in Kalispell. The Center is a "Business One-Stop", and designed to meet the needs of business customers in the region, providing economic opportunities and business assistance.

Their mission is to provide economic opportunities and business assistance to the citizens of Northwest Montana, and partners include: Kalispell Area Chamber of Commerce; Kalispell Small Business Development Center; Job Service Business Advocates; Flathead Valley Community College; MT Department of Commerce, Regional Development Officer; MT Manufacturing Extension Center; MT Procurement Technical Assistance Center; Flathead Convention & Visitor Bureau; and several off-site partners.

This coalition of providers have joined together with the conviction that regionalization of businesses resources, one-stop access and the co-location of programs is the best way to serve the business sectors of Northwest Montana.

The SWIB Economic Development Committee heard presentations from Business Center partners, and considers them a model for collaborations that are not mandated taking place across Montana. The committee will be encouraging similar business services partnerships in other regions of Montana, to improve services to Montana workforce system business customers.

Economic Impact Study of Hospitals in Montana

The SWIB Economic Development and Business Retention Committee helped convene a meeting of the Montana Hospital Association (MHA) and the Department of Labor & Industry Research and Analysis Bureau, to consult and collaborate on an Economic Impact Study of Hospitals in Montana.

The Study was released in August, and the SWIB committee was kept informed of the process, and given a report of the study's findings. The Economic Development Committee would like to pursue similar economic impact studies of other industries in Montana, and is proposing to use the Hospital study as a benchmark for future studies.

The Economic Development and Business Retention Committee also cooperated with the MHA and the Research and Analysis Bureau to conduct a Healthcare Worker Staffing survey during 2004, to determine those occupations that will be in greatest demand in the healthcare industry. The committee hopes to also repeat this survey in other industries across Montana.

On-Going Issues

Current Status of Workforce Investment Act - WIA Reauthorization

The Workforce Investment Act of 1998 (WIA) provides the framework for the publicly funded workforce development system. Title I of the legislation authorizes the Workforce Investment System, Title II reauthorized adult education and family literacy programs through FY 2003, Title III amended the Wagner-Peyser and related acts, Title IV reauthorized Rehabilitation Act programs through FY 2003, and Title V contains general provisions.

Authorization for WIA ended September 30, 2003. For WIA to continue, the United States Congress must pass legislation reauthorizing the program, and until such time programs continue under the current version of the Act.

A Senate and House version of reauthorization were passed late in 2003, however no action has been taken to reauthorize the Workforce Investment Act. The US Department of Labor compiled a side-by-side comparison of the House and Senate WIA reauthorization bills, which may be viewed at www.doleta.gov/whatsnew/.

It is anticipated that Congress will take action in 2005 to reauthorize the Workforce Investment Act.

Funding Decline – Formula Funding Explanation

Montana and other states receive federal dollars under the Workforce Investment Act (WIA) of 1998 through the US Department of Labor. There is a formula for determining the percentage of available dollars for adult, youth, and dislocated worker programs that will go to each state, which takes into account the state's economy, unemployment rate, and other criteria.

Montana's economy has stayed relatively flat after September 11th, while the rest of the nation dropped. In addition, while unemployment rates went up in most states, Montana stayed the same. This brought about a decline in funding to the state, most specifically in the dislocated worker program where there has been a decrease from seven million dollars in funding in 2000, to a little over two million dollars for 2004.

Dislocated worker funding is based on excess unemployed, the current labor force, and the unemployment rate in the states; and the process is similar for adult funding. The reduction in formula funding has nothing to do with performance, and Montana has received federal incentives as a result of meeting and exceeding the required performance measures for two consecutive years.

Most small states face this issue as shifts in the national economy drive the unemployment rates, which in turn has a direct bearing on the amount of funding issued to states.

WIA Title IB funding has three funding streams; the adult, youth, and dislocated worker which have all seen a reduction in funding with dislocated worker funding seeing the most reductions. Wagner-Peyser funding (funds employment service activities including job service workforce centers) has seen no reduction over the last two or three years.

State Strategic 5-Year Plan

The State Strategic 5-Year Plan was adopted after inception of the Workforce Investment Act in 1999. This means that the State Plan is up for review and approval in 2005. The WIA requires the State Workforce Investment Board to adopt the plan, therefore the SWIB will be working with the Department of Labor and Industry to update and approve the State Plan. In addition, the SWIB will review the plan as necessary over the next five years to approve updates or changes.

US Department of Labor Monitoring Report of State Department of Labor & Industry

During the week of November 1, 2004, US Department of Labor Employment and Training Administration (ETA) Region IV staff members conducted a state level review of the Workforce Investment Act (WIA) in the state of Montana. The Montana Department of Labor and Industry (DLI) is the State Administrative entity for WIA, and the purpose of the review was to assess the state's accomplishment of its role and responsibilities in the administration of the Workforce Investment Act's Adult, Dislocated Worker and Youth Programs, and review of the National Emergency Grant's (NEG) administrative operations.

State policies and procedures were reviewed, and interviews were held with state staff.

There were nine findings and two observations made as a result of the monitoring, which the DLI received on December 3, 2004. A copy of the monitoring report may be obtained by contacting the Montana Department of Labor & Industry, Workforce Services Division, PO Box 1728, Helena MT 59624-1728, or by calling (406) 444-4100 – Ask for Gary Wright.

The Montana DLI now has a response period in which they will reply to the monitoring findings with corrective action. The USDOL will accept or reject the corrective action proposed by the state, and advise DLI in writing of their position.

Annual WIA Title 1B Programs Monitoring

The Statewide Workforce Programs and Oversight Bureau monitors and evaluates as an essential part of program management. This is a requirement of the Workforce Investment Act (WIA). Monitoring ensures compliance with appropriate laws, regulations, plans, provider agreements, policies and procedures. Evaluation measures how effectively programs and services meet public objectives, program goals and performance standards. Monitoring and Evaluation work together to prevent waste, abuse, and fraud in program administration and operation. Equally important is the opportunity to strengthen or improve programs and systems to promote continuous improvement.

Monitoring may include, but is not limited to, reviewing administrative activity such as local board activities, membership issues, the Request for Proposal process, service provider agreements, the one-stop certification process and/or fiscal issues.

The main purpose of onsite monitoring is to objectively and directly assess the local workforce areas' systems and procedures. This determines if deficiencies exist, in order to recommend

improvements. Monitoring focuses on efficiency and quality of operation, not overall program performance. It is not meant to evaluate effectiveness in meeting goals. Annual performance goal attainment and provider agreement accomplishment are measured at the end of the year through the WIA Annual Report.

During the months of June through September 2004, staff from the Statewide Workforce Programs and Oversight Bureau reviewed records and conducted interviews with Local Workforce Investment Area service providers and staff at Montana Job Training Partnership, Inc.

As a result of monitoring, eight potential problems were discovered, and two instances of noncompliance were noted. In addition, several recommendations for corrective action were provided by the state.

The BOS and CEP local boards submitted the required written corrective action response within 30 days of receipt of the monitoring report, and the state now has until approximately January 21, 2005, in which to reply to the local board response. The state will either accept, or partially accept the corrective action responses submitted by the local boards. If any of the responses are deemed unacceptable by the state, the local boards will have the opportunity to enter into an established appeals process.

The SWIB Executive Committee will follow the monitoring process, and provide updates to the Governor's Office as to resolution and corrective action.

WIA Title 1 National Emergency Grant Review Columbia Falls Aluminum Co./Flathead Community

On October 12 – 14, 2004, the state Department of Labor and Industry (DLI) conducted a compliance review of the Columbia Falls Aluminum Company (CFAC) National Emergency Grant and the Flathead Valley Community National Emergency Grant. The purpose of the review was to determine whether the program was being operated in compliance with the approved grant, WIA statute, Employment and Training (ETA) Regulation 20 CFR, Part 671 and the Montana Job Training Partnership Inc.'s WIA Policy Manual.

The information for this review was obtained through a file review of the two service providers, Flathead Job Service Workforce Center, and Kalispell Project Challenge: Work Again. The Accounts Receivable Technician from the Flathead Valley Community College was also interviewed.

As a result of monitoring, three findings were cited, and required actions were provided by the state. The BOS and CEP local boards submitted the required written corrective action response within 30 days of receipt of the monitoring report, and the state now has until approximately January 23, 2005, in which to reply to the local board response. The state will either accept, or partially accept the corrective action responses submitted by the local boards. If any of the responses are deemed unacceptable by the state, the local boards will have the opportunity to enter into an established appeals process.

The SWIB Executive Committee will follow the monitoring process, and provide updates to the Governor's Office as to resolution and corrective action.

Communication/Cooperation Issues

The workforce system is very broad and complicated. Clear and ongoing communication among the various parties is absolutely necessary to advance, and even maintain, the system's effectiveness. For quite some time in Montana, there have been serious communication and cooperation issues between the local workforce boards and their staff, and the State Department of Labor and Industry. If left unresolved, these issues will continue to jeopardize the system's effectiveness and divert the focus from the most important aspect of Montana's workforce system; the participants and businesses that are to be served.

During the State Workforce Investment Board Executive Committee meeting on December 1, 2004, Chairman Beaudry asked SWIB member Wendy Keating, Commissioner of the Department of Labor and Industry (DLI), to give an overview of the current status of several issues that exist between the state and the local boards. Commissioner Keating reported that the issues seem to center around how the state is carrying out its oversight role through the monitoring process and, conversely, how the local boards are responding to the state's authority. At issue as well, is recent action by the state to shift a portion of dislocated worker training dollars in the Flathead National Emergency Grant (NEG) from the local boards to a state provider's site. This was done to serve participants where they were seeking services. The local boards disagreed with this action, and advised they felt the state was taking money away from local board and local control. In a PowerPoint presentation to MACo on September 27, MJTP's Executive Director stated that, "activities by the state appear to be infringing on local board's authority and may represent a move by the Governor to assume programs entirely." The state was acting in accordance with National Emergency Grant Regulations to move funds to where the participants were being served. The state is required to responsibly manage grant funds (which are from a federal grant directly to the Governor) in order to serve participants where they are seeking services. This transfer prevented nearly 100 participants from having to terminate their training at mid-point. Neither the local board's program operator nor the state provider was left with insufficient funds, and in fact, because of the transfer no one was refused services. The next increment of funding under this grant was requested by the state on November 18, 2004, and they expect a response from USDOL shortly. To date, the state has not been refused any additional funds under an incrementally funded grant.

Relationships between the state and local boards have continued to deteriorate over the past 12-18 months and have reached the point where the contention is threatening the health of the local delivery system. Although local performance remains high, the communications issues are putting the system at risk. The SWIB is coordinating an effort to hire a facilitator to resolve the communications problems.

Both the state and the local boards attempted to meet and resolve their issues during the year. Issues which appeared to be resolved at one point, continued to surface again within a few weeks. This fall, the local board's executive director advised the Commissioner of Labor that the appropriate body with which to seek resolution was the governing body of the local boards - the Council of Commissioners (local elected officials from the Montana Association of Counties [MACo]) and not the local boards themselves. There was no response to attempts by the state's subsequent efforts to pursue reconciliation through the Council of Commissioners.

During the MJTP Board of Directors meeting in October, Commissioner Keating proposed a facilitated effort between all parties to work through their differences. She advised that the US

Department of Labor's regional office is very concerned about these issues and, as a result, have offered to pay for a professional facilitator.

Recently there has been an indication from the local boards that they wish to work toward resolution. The local board chairs sent a letter to SWIB Chairman Haley Beaudry on November 29th, stating that they would agree to the offer to participate in facilitation. Although there were earlier indications that MACo was not interested in working with the current Labor Commissioner or the present administration on these issues, at the December 16th Executive Committee meeting, Carol Brooker assured the SWIB that MACo was committed to participating in the resolution process.

The Governor must have assurances that local elected officials, local boards, and the state will proceed through facilitation and do whatever is necessary to resolve these issues; and that the parties involved will work with the state oversight agency (DLI) and the office of the Governor to serve Montana citizens, and address any issues that may arise. Failure to do so jeopardizes the effectiveness of the Montana workforce system because it could negatively affect the state's future funding under the federal Workforce Investment Act.

On December 1, the SWIB Executive Committee took action to pursue hiring an independent facilitator to work toward resolution with all willing parties. The Montana Department of Labor and Industry is fully committed to this approach, and in light of recent commitments from the local boards and MACo, the State Workforce Investment Board is hopeful that all involved are willing to be fully engaged in working toward resolution. The SWIB will be participating in this endeavor to ensure mutual participation and cooperation among those involved, and will report to the Governor on progress and outcomes. The Governor-elect has requested representation at the facilitated session in order to provide continuity to issue resolutions.

Because the health of the local delivery system for workforce development is crucial to the economic health of local communities, the Governor must ensure that the system partners are collaborating and communicating in ways that constantly improve workforce services to Montana citizens. To that end, the State Workforce Investment Board is providing the attached options to the new Administration and State Board suggesting ways to strengthen the system through clearer policy and enhanced accountability. Under the federal Workforce Investment Act, the Governor's State Board is the responsible body for overseeing continuous improvement in the system and, therefore, the ideal body to provide guidance on these issues for an incoming Governor.

Personal Reemployment Accounts (PRA)

On November 4, 2004, the US Department of Labor & Industry announced that Montana was one of seven states chosen to participate in a *demonstration grant* to provide Personal Reemployment Accounts (PRA'S) to assist unemployed job seekers to find new jobs. This demonstration grant is a pilot program, which builds on the Reemployment Services grant the department has received over the last several years. Reemployment Services focused on providing intensive assistance to unemployed job seekers claiming unemployment insurance benefits. PRA's take this concept one step further, by creating new incentives for eligible individuals to play a greater role in their search for employment.

PRA's are customer-managed accounts that eligible, unemployed job seekers will use to purchase job training and supportive services and products from the marketplace, Job Service Workforce Centers, or other public or private service providers.

Skills Shortage

Another on-going issue of concern nationally, as well as in Montana, is the growing skill shortage due largely to retiring baby boomers. Many industries and occupations are gearing up for what is expected to be an accelerating crisis of a skilled worker shortage.

However, other predictions indicate there will be no workforce shortage. Essentially, the argument is that there will be plenty of people and workers; the shortage will be in the skills (i.e. training and education). Employers will need to tap the nation's unused and underused workforce pools (e.g., minorities, disadvantaged, handicapped, older workers, etc.) invest in productivity-raising technology and training, and manage their human resources better.

So which prediction is right? Or does the answer lie between the extremes? Since nobody denies the importance of the question, it's important for the SWIB and Montana to look at it objectively, and to ensure our workforce system is prepared and working to minimize whatever negative impact there may be.

OPTIONS AVAILABLE TO THE GOVERNOR

OPTIONS AVAILABLE TO THE GOVERNOR IF ISSUES REMAIN UNRESOLVED

With regard to the on-going monitoring and communication issues described in the previous section, the Governor has several possible options for action in order to address critical issues affecting the workforce delivery system in Montana. In this section of the report the State Workforce Investment Board will outline some of the options available to the administration.

1. Governor could elect to take no action on Local Board re-certification at this time based on pending monitoring issues and lack of communication with the State.
 - The Executive Committee of the State Board could be directed to revisit the LWIB certification issue in 60 days to determine, based on the results and status of the monitoring issues and facilitation process, what recommendation the SWIB would make to the Governor as to re-certification.
 - Failure of a local board to achieve certification shall result in reappointment and certification of another local board for the local area pursuant to the process described in the WIA.
2. Communication and cooperation is required between grantor and grantee within the workforce system. Until the communication situation is resolved, the Governor could withhold incentive dollars and only pass required funding to LWIB's.
3. The Governor could require Local Boards operate on a "cash reimbursement" basis until communication and cooperation issues are resolved through the facilitation/mediation process that has been initiated.
 - May be continued indefinitely until monitoring process is complete and pending issues are addressed and resolved.
 - May be applied to one or both local boards.
4. If program operator monitoring issues are not resolved to the satisfaction of the Statewide Workforce Programs and Oversight Bureau, the Governor could require local boards to re-bid program operators.
5. If monitoring issues are not resolved to the satisfaction of the Statewide Workforce Programs and Oversight Bureau, or if the communications issues remain unresolved, the SWIB could recommend to the Governor that the local boards be decertified.
 - The Governor may at any time, after providing notice and an opportunity for comment, decertify a local board for fraud or abuse, failure to meet local performance measures for two program years, or for failure to carry out the functions specified for the local board in the WIA.

- The Governor may require that a new local board be appointed and certified for the local area pursuant to a reorganization plan developed by the Governor, in consultation with the chief elected official in the local area, and in accordance with the criteria established under the WIA.

RECOMMENDATIONS AND OPTIONS FOR THE SWIB

RECOMMENDATIONS AND OPTIONS FOR THE SWIB

The SWIB will have to adopt new Goals and Objectives for 2005. The 2005 Goals and Objectives could be recommendations from the current SWIB to new SWIB members to assist with transition, or adopted by the current board as it is unknown when new members will be appointed.

The following is a list of Possible new Goals and Objectives the SWIB may want to consider:

- **Strengthen the role of business participation on the local and state workforce boards by defining what this role is, and assisting in the development of business board members.**
- **Establish criteria in partnership with the Governor for use by chief elected officials in the local areas for appointment of members of the local workforce investment boards (WIA Section 117)**
- **Review current system linkages to assure cooperation and communication between the programs, partners, Community Service Delivery entities, and the State.**
- **SWIB monitor and oversee local boards to assure coordination and non-duplication among programs and activities**
- **Receive status reports at SWIB meetings (or as requested) from the state DLI and local boards on resolution of issues, outcomes of facilitated sessions and on-going communications/relationships**
- **State board develop process measures for continuous improvement of local workforce system**
- **Initiate discussion with local boards regarding their vision, goals, plans to further develop the local workforce system.**
- **By policy, require grantees of federal and state training dollars to cooperate and communicate with the state as requested by the state.**
- **SWIB issue guidance on expectations of roles and responsibilities of state oversight and local boards.**
- **Submit periodic reports to the Governor to advise as to the state of the Workforce System in Montana**
 - **Report should include: Recommendations concerning policies and practices to enhance system performance; Accomplishments; and Recommendations for improvement and accountability.**
- **Develop a system to certify and update training partners, and provide regular information to the public regarding performance of certified training providers**

- **May perform local community outreach to determine if programs and service delivery entities are meeting local needs.**
- **Research and develop promising practices and disseminate practices to local WIB's.**
- **Work with local WIB's and other appropriate entities to strengthen the role and identity of one-stops, and assure consistency and quality of services.**
- **Offer technical assistance in the case of an under-performing Local Workforce Investment Board.**
- **Establish criteria and make recommendations to the Governor for local board re-certification.**

ATTACHMENTS